

CDBG PROGRAM

OPEN CYCLE HOUSING

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

The Community Development Block Grant Program (CDBG) offers grants to Missouri communities to improve local facilities, address health and safety concerns, and develop a greater capacity for growth. The Open Cycle Housing Category allows communities an opportunity to meet housing needs not related to rehabilitation or low-income housing tax credit financing.

AUTHORIZATION

42 USC § 5301 et seq., 24 C.F.R. Part 570; and Missouri's "Consolidated Plan" submitted to the U.S. Department of Housing and Urban Development.

ELIGIBLE APPLICANTS

State CDBG funds are only available to cities and counties in non-entitlement areas (incorporated municipalities under 50,000 and counties under 200,000).

ELIGIBLE ACTIVITIES

Projects may propose construction or homeownership financing. Applicants may propose to serve specific special needs projects or may combine housing with other activities such as job training. Examples may include single family new construction, Youthbuild, transitional housing, infrastructure to support housing, down payment assistance, historic preservation, upstairs/downtown projects, etc.

APPLICATION PROCESS

Applications for open cycle housing projects are accepted year round and awards are based on availability of funds. Applications must score a minimum of 65 out of 100 points to gain a recommendation for award.

FUNDING LIMITS

The maximum amount any applicant can apply for is \$200,000.

SPECIAL PROGRAM REQUIREMENTS

All CDBG-funded projects must meet a national objective set forth by the U.S. Department of Housing and Urban Development (HUD). Projects can either:

1. Benefit 51% low and moderate income (LMI) persons and families, or
2. Eliminate slums and blight.

Since housing activities are a direct benefit to a person's or family's home, all housing related activities require 100% LMI. Any additional public facility work proposed is required to meet the 51% LMI objective. Please contact the CDBG program for more information about determining LMI status.

Applicants should establish the need for the project by documentation, vacancy rates, market studies, and unmet need numbers. Impact is evaluated by the number of units proposed, affordability standards, supportive services, project readiness, and implementation plan. Leveraging, in-kind, and tax credit match will also be considered. (Tax credit match includes Neighborhood Assistance Program, Youth Opportunities Program, Historic Tax Credit Program, and Neighborhood Preservation Act Tax Credit Program.)

CONTACT

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ADDITIONAL RESOURCES

Go to the department's home page at www.ded.mo.gov to obtain guidelines and forms for the CDBG Open Cycle Housing Program as well as a wealth of information regarding this program and Missouri's many other economic development programs and policies.